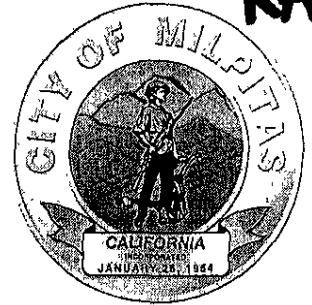


RA5

MEMORANDUM

Office of the City Manager



To: Honorable Mayor and Council
Through: Thomas J. Wilson, City Manager
From: Blair King, Assistant City Manager ^{RK}
Subject: **Parc North Project Information Summary**
Date: March 18, 2003

PARC NORTH PROJECT INFORMATION SUMMARY

Project Developer/Owner: Parc North Associates (RGC Courthomes) and Western Pacific Homes

Project Description: Demolition and redevelopment of the 7.36 acre Lockheed Martin site at the northeast corner of Hammond Way and East Curtis Avenue. Construction of 285 town homes and condominiums of which 58 units (20%) will be deed restricted for very low, low, and moderate income persons and households. Land and streetscape improvements will be constructed along east Curtis Avenue from Hammond Way to its eastern terminus.

Proposed Agency Assistance: Agency assistance consisting of grants and loans to facilitate the development of 58 deed-restricted, affordable housing units: 18 very low income units; 6 low income units; and 34 moderate income units.

Development Grants - \$1,823,480:

Building Permit Fees	\$100,450
Private Job Account	15,000
Site work and utilities	771,682
Circulation and off-site improvements	606,678
Park in-lieu	212,670
Traffic mitigation	20,000
School impact fees	<u>97,000</u>

Total value of grants: \$1,823,480

Second Loans for 24 low and very low income units:

\$35,000 for low income units (6)	\$210,000
\$98,000 for very low income units (18)	<u>\$1,823,480</u>
	\$1,974,000

Total Value of Agency Assistance
(grants and loans): \$3,797,480

PROJECT BENEFITS:

Tax Increment Generation:

\$9,823,862 current value of land and improvements (annual property tax – approximately \$98,238)	
Estimated post development valuation:	\$109,823,862
Estimated annual post development property tax over base:	\$1,000,000
Estimated annual post development Redevelopment Agency proceeds:	\$800,000

Recovery Period: Total Assistance: 4.7 years Grant Assistance: 2.3 years
(Standard of Comparison: 5 years)

Housing Units: 285 new residential units
Deed-Restricted Affordable Units: 58 units (20 %)

(Standard of Comparison: 20%)

18 – Very low income units
6 – Low income units
34 – Moderate income units

Jobs: 75 construction jobs over a three year period

Sales Tax: Not applicable

Ratio of agency assistance vs. private investment: In excess of 1:10

RESOLUTION NO. _____

**A RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY APPROVING THE
EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH PARC NORTH
ASSOCIATES, LLC.**

WHEREAS, the City Council of the City of Milpitas originally approved and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Milpitas Redevelopment Project No. 1 (the "Project") on September 21, 1976, by Ordinance No. 192 and amended on September 4, 1979, by Ordinance No. 192.1; on May 4, 1982, by Ordinance No. 192.2; on November 27, 1984, by Ordinance No. 192.3; on December 9, 1986, by Ordinance No. 192.4; on April 16, 1991, by Ordinance No. 192.6A; on December 9, 1994, by Ordinance No. 192.9; on October 15, 1996, by Ordinance No. 192.11; on June 17, 2003, by Ordinance No. 192.14; and

WHEREAS, the Milpitas Redevelopment Agency (the "Agency") is engaged in activities to implement the Redevelopment Plan for the Project; and

WHEREAS, Parc North Associates has an option to purchase certain real property located within the boundaries of the Project Area and desires to construct improvements on the site; and

WHEREAS, the Agency and Parc North desire to enter into a Memorandum of Understanding to provide certain financial assistance for the development of affordable housing units on the site; and

WHEREAS, the provisions of affordable housing are consistent with the Redevelopment Plan and state law;

NOW, THEREFORE, be it resolved by the Milpitas Redevelopment Agency that the Agency hereby approves a *Memorandum of Understanding* and authorizes the execution of said agreement.

PASSED AND ADOPTED this 19th day of August, 2003, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Gail Blalock, Agency Secretary

Jose S. Esteves, Chair

APPROVED AS TO FORM:

Steven T. Mattas, Agency Counsel

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered into by and between the Redevelopment Agency of the City of Milpitas, a public body, corporate and politic (hereinafter "Agency") and Parc North Associates, LLC., a California Limited Liability Corporation (hereinafter "Participant") (collectively the "Parties").

RECITALS

WHEREAS, Participant is the optionee of that real property located at 95 East Curtis Avenue, Milpitas, more particularly described in the legal description attached hereto as Exhibit "A" attached herein and incorporated herein by this reference ("the Property").

WHEREAS, Participant and Agency desire to enter into an Owner Participation Agreement ("OPA") incorporating the terms of this MOU and setting forth additional conditions for the development of an housing project on the Property, which contains a number of affordable housing units (the "Project"), and the rights and duties of the parties, respectively.

WHEREAS, in the event of conflict between the terms of the OPA and the terms of this MOU, this MOU shall control on the point of conflict.

TERMS

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties understand and agree as follows:

I. AGENCY FINANCIAL ASSISTANCE:

The amount of the Agency Financial Assistance to the Project detailed below is based on the Agency's estimate that the assessed valuation of the Project (land and improvements) will exceed Eighty Five Million Eight Hundred Twenty Four Thousand Dollars_(\$85,824,000.00). Should the estimated assessed valuation for Project as a whole, calculated based on the assessed valuation for the first building to receive a Certificate of Completion pro-rated for the Project as a whole, not exceed this amount, Participant agrees that the Agency's obligation to provide the assistance set forth below shall be reduced in proportion to the then-calculated estimated assessed valuation for the Project. As assessed valuations are provided for subsequent buildings that receive Certificates of Completion, the parties agree that the amount of the payments pursuant to this subparagraph shall be reduced or increased (not to exceed the maximum set forth below) in proportion to the anticipated assessed valuation for the Project as a whole based on the average assessed valuations for the buildings for which the Assessor's Office has completed assessments.

1. The Agency agrees to pay on behalf of the Participant, direct City of Milpitas ("City") costs related to the processing of zoning entitlements and construction permits for fifty-eight (58)

deed restricted, affordable homes ("Affordable Homes") in an amount not to exceed One Hundred Fifteen Thousand Four Hundred Fifty Dollars (\$115,450.00).

2. The Agency agrees to pay, on behalf of the Participant, the park in-lieu and traffic mitigation fees for the Affordable Homes in an amount not to exceed Two Hundred Thirty Two Thousand Six Hundred and Seventy Dollars (\$232,670.00).

3. The Agency shall reimburse Participant for the costs of demolition, site preparation and grading for and construction, development, and connection of water, sewer, storm drain, gas, and electric utilities that will serve the Affordable Homes ("On-Site Improvement Costs") in an amount not to exceed Seven Hundred Seventy One Thousand Six Hundred Eighty Two Dollars (\$771,682). To the extent that all or portions of the On-Site Improvement Costs are not readily segregable from the costs for the market-rate units, the On-Site Improvement Costs shall be based on the total cost of the improvements necessary for the Project as a whole divided by the number of units in the Project as a whole multiplied by the number of Affordable Units. For example, if the costs of site work and utilities for the entire project are \$1,000,000, the subsidy pursuant to this subparagraph would be calculated as follows: $\$1,000,000 / 285 \text{ units} \times 58 \text{ Affordable Homes} = \$203,509$. Upon presentment of documentation by the Participant of the per-unit costs, the Agency will make payments under this subparagraph on a per-unit basis and within 30 days of issuance of a building permit for the Affordable Home (or building housing the Affordable Home) for which the reimbursement is sought.

4. The Agency shall reimburse Participant for the costs of construction of public landscaping, on- and off-site circulation, street and traffic improvements necessary for the Affordable Homes ("Off-Site Improvement Costs") in an amount not to exceed Six Hundred Six Thousand Six Hundred and Seventy Eight Dollars (\$606,678). The per-unit costs shall be calculated in the same manner as the such costs are calculated in subparagraph 3 above. The Agency will make payments under this subparagraph on a per-unit basis and within 30 days of issuance of a building permit for the Affordable Home (or building housing the Affordable Home) for which the reimbursement is sought.

5. The Agency shall reimburse Participant for School Impact Fees for the Affordable Homes in an amount not to exceed Ninety Seven Thousand Dollars (\$97,000) within thirty (30) days of Participant providing Agency with evidence from the school district(s) that the School Impact Fees have been paid.

6. The Agency will provide silent second mortgages in an amount not to exceed Ninety Eight Thousand Dollars (\$98,000.00) to the homebuyers of the eighteen (18) Very Low-Income Affordable Homes and Thirty Five Thousand Dollars (\$35,000.00) to the homebuyers of the six (6) Low Income Affordable Homes.

A. Total Potential Value of Agency Assistance - \$3,797,480.00

1. Value of Grants - \$1,823,480

a. Estimated Grants for 58 Affordable Homes

Building Permit Fees	\$100,450
Private Job Account (Staff Charges)	\$15,000
Site Work and Utility Construction	\$771,682
Costs	

Off Site Improvements	\$606,678
Park In-Lieu	\$212,670
Traffic Mitigation	\$20,000
School Impact Fee	\$97,000
	<hr/>
	\$1,823,480

2. Value of Loans - \$1,974,000.00

\$35,000 for Low Income Units (6)	\$210,000
\$98,000 for Very Low Income Units (18)	\$1,764,000
	<hr/>
	\$1,974,000

II AFFORDABLE HOUSING IMPLEMENTATION:

1. The Participant shall sell fifty-eight (58) Affordable Homes constructed on the Property, to Very Low, Low and Moderate Income households as guaranteed by deed restrictions or other enforceable covenants running with the land. Eighteen (18) of the Affordable Homes will be designated to Very Low-Income households. Six (6) of the Affordable Homes will be designated to Low-Income households and thirty-four (34) of the Affordable Homes will be designated for Moderate-Income households.
2. The Agency shall develop a plan to qualify purchasers for purchase of the Affordable Homes and will be responsible for providing the Participant with a list of qualified and ready to buy purchasers.
3. Participant agrees to use its best efforts to market the Affordable Homes to the same extent and in the manner as those being developed on the Property that are not designated as Affordable Homes.
4. Owner shall be required to submit to the Agency a Disbursement Plan that indicates the location of the Affordable Homes within the development. The Disbursement Plan is subject to the approval of the Executive Director of the Agency, or his or her designee. However, the parties agree that the affordable homes will be distributed throughout the development as conceptually shown on the Site Map and Preliminary Distribution Plan in Exhibit "B" attached hereto and incorporated herein by this reference.
5. The Agency and Participant hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Agency's and Participant's legal interest in the Property is rendered less valuable thereby. The Agency and Participant hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by persons to whom the Affordable Homes will be affordable, the future owners of each Affordable Home ("Owner(s)").

6. The conveyance of each Affordable Home shall be subject to the Resale Restriction and Option to Purchase Agreement ("Resale Agreement") in the form set forth in Exhibit "C". The Resale Agreement shall be recorded against each Affordable Home sold to an Owner upon close of escrow for the sale of an Affordable Home. Following recordation of the Resale Agreement as required hereunder, the Agency shall have the right to enforce the Resale Agreement and, upon default under any of the terms of the Resale Agreement, the Agency may take any one or more of the following steps, in addition to all other remedies provided by the law or in equity:
 - (1) Enforce the obligations under the Resale Agreement by mandamus or other suit, action, or proceeding at law or in equity; including injunctive relief, require the Owner, or any successor in interest, to perform its obligations and covenants under this Agreement or under the Resale Agreement; or, enjoin any act or thing that may be unlawful or in violation of the provision of this Agreement, the OPA, or the Resale Agreement;
 - (2) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations under this MOU, the OPA, and the Resale Agreement against the Owner; and
7. The sales price of an Affordable Home shall be determined as illustrated in Exhibit "D" hereto with the assumption that there will be 1.5 occupants per bedroom and with the understanding that the interest rate for the purpose of determining the amount of a mortgage to support a promissory note for the purchase of an Affordable Home shall be the interest at the time Owner applies for a loan to purchase the Affordable Home.
8. In exchange for the affordability restrictions on the fifty-eight (58) Affordable Homes, Agency shall upon issuance of an Approval of Final Inspection by the City deposit Ninety Eight Thousand Dollars (\$98,000) for each Very Low-Income Affordable Home and Thirty Five (\$35,000) Thousand Dollars for each Low-Income Affordable Home into the Agency's silent second mortgage program whereby the moneys deposited shall be used to provide silent second mortgages to purchasers of the Very Low- and Low-Income Affordable Homes. The silent second mortgages will be effected at the time of the sale of each Very Low- and Low-Income Home and the sums of Ninety Eight Thousand Dollars, \$98,000 and Thirty-Five Thousand Dollars \$35,000, and shall be delivered to escrow by the Agency on behalf of the homebuyer for the benefit of the Owner as a portion of the purchase price for each Very Low and Low-Income Homes. The Agency's silent second mortgage shall be secured by a Promissory Note and a Subordinate Deed of Trust ("Loan Documents") in the form attached hereto as Exhibit "E" and Exhibit "F," respectively. The Loan Documents shall be executed and recorded with the Grant Deed.
9. Certification and recertification of household size and income shall be administrated by either the Agency, or by the Housing Authority of Santa Clara County, or some other entity as designated by the Agency pursuant to an agreement with the Agency.

10. This MOU may be executed in counterparts, all of which together shall constitute a single original agreement, so executed this MOU shall constitute an agreement which shall be binding upon all parties to the MOU, notwithstanding that the signatures of all parties do not appear on the same page.
11. This MOU, the OPA and the Resale Agreement shall run with the Property and be binding to the Parties hereto and their successors and assigns.
12. Either Party shall be deemed in default of this MOU when failing to substantially comply with any material term of this MOU. Failure to cure a default within 72 hours of notice provided to the defaulting party by the non-defaulting party shall result in immediate termination of this MOU and any development rights granted by the City as a result thereof.
13. If any term or provision of this MOU shall be held invalid or unenforceable, the remainder shall not be affected.
14. No waiver or breach of any covenant or provision shall be deemed a waiver of any other covenant or provision and no waiver shall be valid unless in writing and executed by the waiving party.
15. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all which taken together shall constitute one and the same instrument.
16. This MOU may not be amended or altered except by a written instrument executed by Agency and Parc North Associates, LLC.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, Agency has by order of the Agency Board of the Directors caused this Memorandum of Understanding to be subscribed by the Executive Director of the Agency by Resolution No. _____ and attested by the City Clerk thereof, and Parc North Associates, LLC has executed the same this _____ day of _____, 2003.

“AGENCY”

Redevelopment Agency of the
City of Milpitas

Thomas J. Wilson, Executive Director

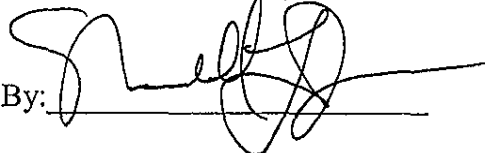
Attest:

Gail Blalock, City Clerk

Approved as to Form:

Agency Counsel

Parc North Associates, LLC.

By: 

Its: MANAGING MEMBER

Exhibit "A"

LEGAL DESCRIPTION

Real property in the City of Milpitas, County of Santa Clara, State of California, described as follows:

PARCEL ONE:

Commencing at a concrete monument at the point of intersection of the Northerly line of that certain parcel of land conveyed by The Western Pacific Railroad Company to the Ford Motor Company by Deed recorded March 13, 1953, in Book 2597 of Official Records, page 225, and the Westerly line of that 60.0 foot strip of land conveyed by Patrick and Ella Sinnott to The Western Pacific Railroad Company, by Deed recorded March 8, 1921 in Book 527 of Deeds, page 457, Santa Clara County Records; thence from said point of commencement North 23° 58' West along the Westerly line of said 60.0 foot strip, a distance of 80.0 feet, to a point on the Northerly line of that certain 10.0 foot easement granted by The Western Pacific Railroad Company to the Pacific Gas & Electric Company and The Pacific Telephone and Telegraph Company, recorded April 20, 1953 in Book 2622 of Official Records, page 418; thence South 66° 01' 15" West along said Northerly line, a distance of 557.58 feet, to the point of beginning of the parcel of land to be described; thence from said point of beginning South 66° 01' 15" West along the Northerly line of said 10.0 foot easement, a distance of 40.00 feet; thence North 23° 58' 45" West, a distance of 292.0 feet; thence North 66° 01' 15" East, a distance of 40.0 feet; thence South 23° 58' 45" East, a distance of 292.00 feet, to the point of beginning.

PARCEL TWO:

Commencing at a concrete monument at the point of intersection of the Northerly line of that certain parcel of land conveyed by The Western Pacific Railroad Company to the Ford Motor Company by Deed recorded March 13, 1953, in Book 2597 of Official Records, page 225, and the Westerly line of that certain 60.0 foot strip of land conveyed by Patrick and Ella Sinnott to The Western Pacific Railroad Company, by Deed recorded March 8, 1921 in Book 527 of Deeds, page 457, Santa Clara County Records; thence from said point of commencement North 23° 58' West along the Westerly line of said 60.0 foot strip, a distance of 80.0 feet, to a point on the Northerly line of that certain 10.0 foot easement granted by The Western Pacific Railroad Company to the Pacific Gas & Electric Company and The Pacific Telephone and Telegraph Company, recorded April 20, 1953 in Book 2622 of Official Records, page 418; thence South 66° 01' 15" West along said Northerly line, a distance of 597.58 feet to the point of beginning of the property to be described; thence from said point of beginning South 66° 01' 15" West along the Northerly line of said 10.0 foot easement, a distance of 830.0 feet; thence North 23° 58' 45" West, a distance of 292.0 feet; thence North 66° 01' 15" East, a distance of 830.0 feet; thence South 23° 58' 45" East, a distance of 292.0 feet to the point of beginning.

Excepting therefrom that portion thereof described as follows:

Beginning at a concrete monument at the point of intersection of the Northerly line of that certain parcel of land conveyed by The Western Pacific Railroad Company, to Ford Motor Company, by Deed recorded March 13, 1953, in Book 2597 of Official Records, page 225, and the Westerly line of that certain 60.0 foot strip of land conveyed by Patrick and Ella Sinnott to The Western Pacific Railroad Company, by Deed recorded March 8, 1921 in Book 527 of Deeds, page 457, Santa Clara County Records; thence from said point of beginning North 23° 58' West along the Westerly line of said 60.0 foot strip, a distance of 80.0 feet, to a point on the Northerly line of that certain 10.0 foot easement granted by The Western Pacific Railroad Company to the Pacific

Gas & Electric Company and The Pacific Telephone and Telegraph Company, recorded April 20, 1953 in Book 2622 of Official Records, page 418; thence South 66° 01' 15" West along said Northerly line, a distance of 1328.18 feet to the true point of beginning of the parcel of land to be described; thence from said true point of beginning continuing South 66° 01' 15" West along the Northerly line of said 10.0 foot easement, a distance of 99.40 feet to the Southwesterly corner of that certain 5.56 acre tract of land described in the Deed from The Western Pacific Railroad Company, a corporation, to Standard Realty and Development Company, a corporation, recorded April 30, 1956 in Book 3480 of Official Records, page 586; thence North 23° 58' 45" West along the Westerly line of said 5.56 acre tract a distance of 292.0 feet to the Northwestern corner thereof; thence North 66° 01' 15" East along the Northerly line of said 5.56 acre tract, a distance of 99.40 feet; thence South 23° 58' 45" East, a distance of 292.0 feet to the true point of beginning.

PARCEL THREE:

Beginning at a concrete monument at the point of intersection at the Northerly line of that certain parcel of land conveyed by The Western Pacific Railroad Company to Ford Motor Company by Deed recorded March 13, 1953, in Book 2597 of Official Records, page 225, and the Westerly line of that 60.0 foot strip of land conveyed by Patrick and Ella Sinnott to The Western Pacific Railroad Company, by Deed recorded March 8, 1921 in Book 527 of Deeds, page 457, Santa Clara County Records; thence from said point of beginning North 23° 58' West along the Westerly line of said 60.0 foot strip, a distance of 80.0 feet, to a point on the Northerly line of that certain 10.0 foot easement granted by The Western Pacific Railroad Company to Pacific Gas & Electric Company and The Pacific Telephone and Telegraph Company, recorded April 20, 1953 in Book 2622 of Official Records, page 418; thence South 66° 01' 15" West along said Northerly line, a distance of 1328.18 feet to the true point of beginning of the parcel of land to be described; thence from said point of beginning continuing South 66° 01' 15" West along the Northerly line of said 10.0 foot easement, a distance of 99.40 feet; thence North 23° 58' 45" West, a distance of 292.0 feet; thence North 66° 01' 15" East, a distance of 99.40 feet; thence South 23° 58' 45" East, a distance of 292.0 feet to the point of beginning.

PARCEL FOUR:

Beginning at the most Southerly corner of that certain 5.56 acre tract of land conveyed by Westwarehouses, Inc., a Nevada corporation, to Standard Realty and Development Company, a corporation, by Deed recorded December 21, 1956 in Book 3692 of Official Records, page 1; thence from said point of beginning South 66° 01' 15" West, along the Southwesterly extension of the Southeasterly line of said 5.56 acre tract, a distance of 245.66 feet, more or less, to a point distant North 66° 01' 15" East 81.94 feet from the Northeasterly line of that certain 60.0 foot strip of land conveyed by Frederick Crighton to Western Pacific Railroad Company, now Central Pacific Railroad Company, by Deed recorded January 19, 1865 in Book "T" of Deeds, page 208, Santa Clara County Records; thence North 11° 30' West parallel with and 80.0 feet distant Northeasterly measured at a right angle from said Easterly line of said 60.0 foot strip, a distance of 229.07 feet to a point on the Southwesterly extension of the Northwestern line of said 5.56 acre tract; thence North 66° 01' 15" East, along said Southwesterly extension a distance of 181.04 feet to the most Westerly corner of said 5.56 acre tract; thence South 23° 58' 45", East, along the Southwesterly line of said 5.56 acre tract, a distance of 292.0 feet to the point of beginning.

Excepting therefrom that portion conveyed to the City of Milpitas by Deed recorded February 17, 1965 in Book 6852 page 519, Official Records, and described as follows:

Beginning at the most Southerly corner of that certain 1.488 acre parcel of land conveyed by the

Western Pacific Railroad Company to Elmo E. Ferrari, as recorded August 1, 1962 in Book 5667 Official Records of Santa Clara County, page 311; thence from said point of beginning North 11° 30' West along the Westerly line of said 1.488 acre parcel, a distance of 10.40 feet; thence on the arc of a curve to the left having a radius of 30.00 feet (the center of said curve bears North 38° 33' 20" East), through a central angle of 25° 38' 53", an arc distance of 13.44 feet to a point on the North line of Curtis Way; thence South 66° 01' 15" West along said North line of Curtis Way, a distance of 10.88 feet to the point of beginning.

PARCEL FIVE:

Commencing at the most Southerly corner of that certain 1.488 acre parcel of land conveyed by The Western Pacific Railroad Company to Elmo E. Ferrari, as recorded August 1, 1962 in Book 5667, Official Records of Santa Clara County, at page 311; thence from said point of commencement North 11° 30' West along the Western line of said 1.488 acre parcel, a distance of 10.40 feet to the point of beginning of the parcel of land to be described; thence from said point of beginning continuing North 11° 30' West along said Western line of said 1.488 acre parcel of land, a distance of 288.67 feet; thence South 66° 01' 15" West, a distance of 7.17 feet; thence South 11° 30' East, a distance of 267.86 feet; thence on the arc of a curve to the left having a radius of 30.00 feet (the center of said curve bears North 78° 30' East), through a central angle of 39° 56' 40" an arc distance of 20.91 feet, to the point of beginning.

PARCEL SIX:

A non-exclusive easement for footing encroachment described in the grant deed from The Western Pacific Railroad Company to Elvalsons, a corporation, recorded April 26, 1966, Document No. 3048554 in Book 7359, page 443, Official Records, and more particularly described as follows:

Commencing at a concrete monument at the point of intersection of the Northerly line of that certain parcel of land conveyed by The Western Pacific Railroad Company to Ford Motor Company by deed recorded March 13, 1953, in Book 2597 of Official Records, page 225, and the Westerly line of that certain 60.0 foot strip of land conveyed by Patrick and Ella Sinnott to The Western Pacific Railroad Company, by Deed recorded March 8, 1921 in Book 527 of Deeds, page 457, Santa Clara County Records; thence from said point of commencement North 23° 58' West along the Westerly line of said 60.0 foot strip, a distance of 80.0 feet, to a point on the Northerly line of that certain 10.0 foot easement granted by The Western Pacific Railroad Company to the Pacific Gas & Electric Company and The Pacific Telephone and Telegraph Company, recorded April 20, 1953 in Book 2622 of Official Records, page 418; thence South 66° 01' 15" West along said Northerly line, a distance of 557.58 feet to the point of beginning of the of the parcel of land to be described; thence from said point of beginning North 23° 58' 45" West a distance of 292.0 feet; thence North 66° 01' 15" East, a distance of 3.50 feet; thence South 23° 58' 45" East, a distance of 292.0 feet; thence South 66° 01' 15" West a distance of 3.50 feet to the point of beginning.

APN: 086-25-024

ARB: 86-25-2, 3, 4

Exhibit "B"

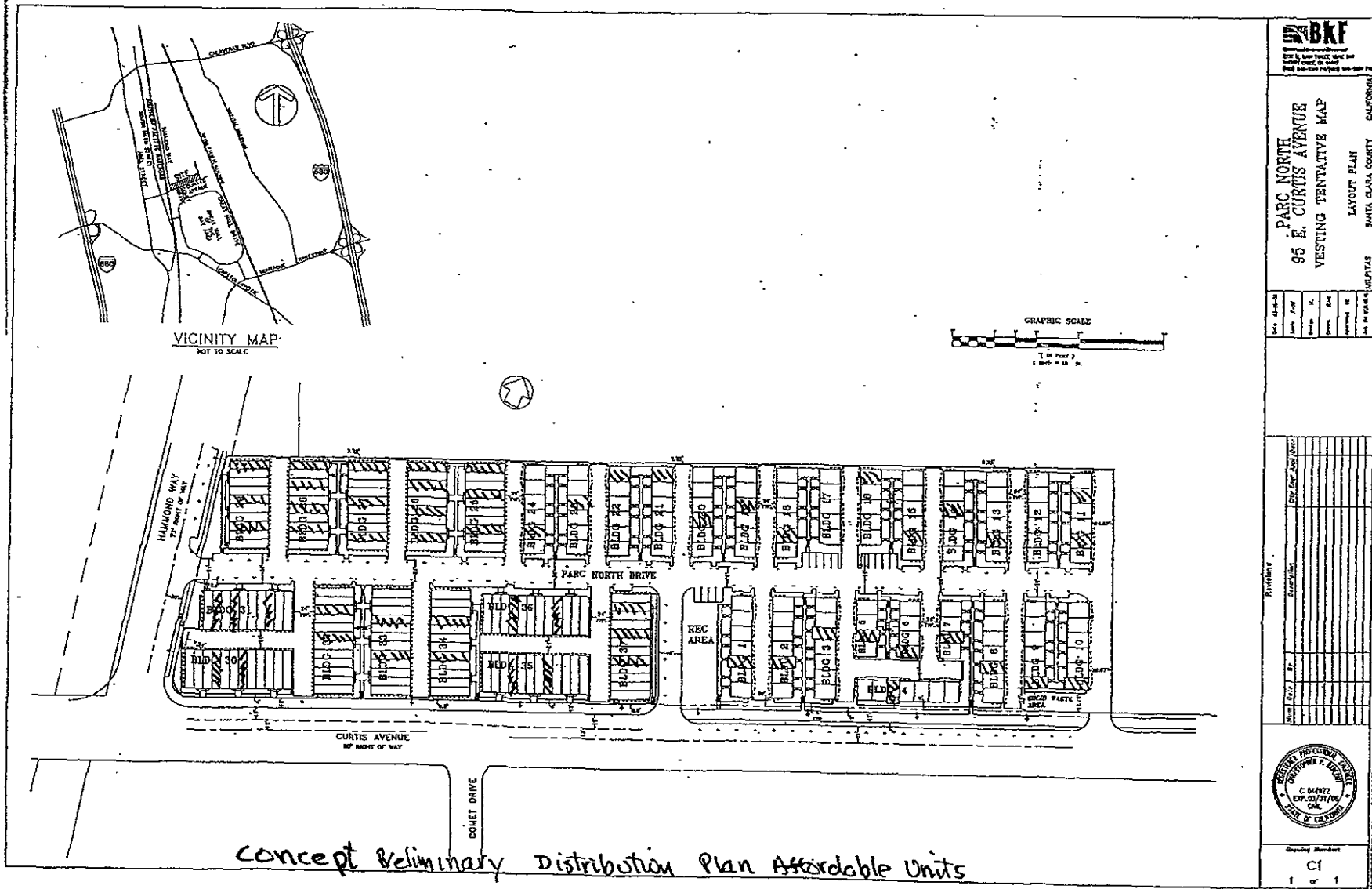


EXHIBIT C

RESALE RESTRICTION AND OPTION TO PURCHASE AGREEMENT

(To be prepared subsequently by the Agency.)

City of Milpitas 2003 Affordable Unit Ownership Assumptions

	Household Income (a)	Sale Price	Down Payment (b)	Total Mortgage	Monthly Payment	Monthly Property Tax (c)	Monthly Insurance & HOA Dues (d)	Total Monthly PITI (e)
Very Low Income - 50%								
1 Person HH - Studio	\$36,950	\$109,689	\$21,938	\$87,751	\$554.65	\$100.55	\$268.56	\$923.75
2 Person HH - 1 Bedroom	\$42,200	\$129,581	\$25,916	\$103,664	\$655.23	\$118.78	\$280.99	\$1,055.00
3 Person HH - 2 Bedrooms	\$47,500	\$149,662	\$29,932	\$119,729	\$756.77	\$137.19	\$293.54	\$1,187.50
4 Person HH - 3 Bedrooms	\$52,750	\$169,554	\$33,911	\$135,643	\$857.35	\$155.42	\$305.97	\$1,318.75
5 Person HH - 4 Bedrooms	\$56,950	\$185,467	\$37,093	\$148,374	\$937.82	\$170.01	\$315.92	\$1,423.75
Low Income - 80%								
1 Person HH - Studio	\$57,450	\$187,361	\$37,472	\$149,889	\$947.40	\$171.75	\$317.10	\$1,436.25
2 Person HH - 1 Bedroom	\$65,650	\$218,430	\$43,686	\$174,744	\$1,104.50	\$200.23	\$336.52	\$1,641.25
3 Person HH - 2 Bedrooms	\$73,850	\$249,499	\$49,900	\$199,600	\$1,261.61	\$228.71	\$355.94	\$1,846.25
4 Person HH - 3 Bedrooms	\$82,100	\$280,758	\$56,152	\$224,606	\$1,419.66	\$257.36	\$375.47	\$2,052.50
5 Person HH - 4 Bedrooms	\$88,650	\$305,575	\$61,115	\$244,460	\$1,545.15	\$280.11	\$390.98	\$2,216.25
Median Income - 100%								
1 Person HH - Studio	\$73,850	\$249,499	\$49,900	\$199,600	\$1,261.61	\$228.71	\$355.94	\$1,846.25
2 Person HH - 1 Bedroom	\$84,400	\$289,472	\$57,894	\$231,578	\$1,463.73	\$265.35	\$380.92	\$2,110.00
3 Person HH - 2 Bedrooms	\$94,950	\$329,445	\$65,889	\$263,556	\$1,665.86	\$301.99	\$405.90	\$2,373.75
4 Person HH - 3 Bedrooms	\$105,500	\$369,418	\$73,884	\$295,535	\$1,867.98	\$338.63	\$430.89	\$2,637.50
5 Person HH - 4 Bedrooms	\$113,940	\$401,397	\$80,279	\$321,117	\$2,029.68	\$367.95	\$450.87	\$2,848.50
Moderate Income - 120%								
1 Person HH - Studio	\$88,620	\$361,424	\$72,285	\$289,139	\$1,827.56	\$331.31	\$425.89	\$2,584.75
2 Person HH - 1 Bedroom	\$101,280	\$417,386	\$83,477	\$333,909	\$2,110.53	\$382.60	\$460.87	\$2,954.00
3 Person HH - 2 Bedrooms	\$113,940	\$473,348	\$94,670	\$378,678	\$2,393.51	\$433.90	\$495.84	\$3,323.25
4 Person HH - 3 Bedrooms	\$126,600	\$529,310	\$105,862	\$423,448	\$2,676.48	\$485.20	\$530.82	\$3,692.50
5 Person HH - 4 Bedrooms	\$136,728	\$574,080	\$114,816	\$459,264	\$2,902.86	\$526.24	\$558.80	\$3,987.90

Notes:

a) From California Dept. of Housing and Community Development.

b) Mortgage terms:

Annual Interest Rate (Fixed)

Term of mortgage (Years)

Percent of sale price as down payment

c) Initial property tax rate (Annual)

6.50%	d) Annual insurance rate as percent of sale price	0.75%
30	Homeowner's Dues	\$200
20%	e) PITI = Principal, Interest, Taxes, and Insurance	
1.10%	Percent of household income available for PITI (V. Low, Low, Median)	30%
	Percent of household income available for PITI (Moderate)	35%

EXHIBIT E

Promissory Note

(To be prepared subsequently by the Agency.)

08/07/03

EXHIBIT F

Subordinate Deed of Trust

(To be prepared subsequently by the Agency.)